



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
MARVIN SMILON, HERBERT HADAD,
MEGAN GAFFNEY
PUBLIC INFORMATION OFFICE
(212) 637-2600

**HEAD OF CANADIAN SHIPPING COMPANY CHARGED WITH
ATTEMPTING TO EXPORT NIGHT-VISION GOGGLES TO HEZBOLLAH**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and PASQUALE D'AMURO, the Assistant Director in Charge of the New York Office of the FBI, announced the filing of a Complaint in Manhattan charging NAJI ANTOINE ABI KHALIL with attempting to provide material support to a terrorist organization based on KHALIL's participation in a scheme to ship night-vision goggles, infrared aiming devices, and other night-vision equipment to Hezbollah, the Lebanon-based terrorist organization.

According to the Complaint, KHALIL - who holds dual citizenship in Canada and Lebanon - is the Chairman and General Manager of New Line Services, an import/export shipping company located in Montreal, Canada. Prior to engaging in the night-vision equipment export transaction, KHALIL had been the subject of a long-term money laundering investigation run out of the FBI's Little Rock, Arkansas office. During that investigation, KHALIL was recorded in numerous meetings with a confidential

witness (the "CW"). In one of those meetings conducted in Beirut, Lebanon in August 2001, KHALIL told the CW that he traveled all over the world collecting money which was then laundered through Bank Al-Madina in Beirut. KHALIL further stated that his organization had been laundering money for Russian Organized Crime for some time, using bank accounts at Bank Al-Madina.

As explained in the Complaint, during recorded meetings between the CW and KHALIL that took place in a hotel room in Los Angeles, California, in 2002, the CW introduced KHALIL to an undercover agent posing as a heroin dealer. During one of those meetings, KHALIL accepted \$100,000 in cash from the undercover agent to launder through the Bank Al-Madina. Also during that meeting, KHALIL told the CW that the largest amount of money he ever picked up was \$160 million. KHALIL has been charged with conspiring to engage in money laundering in a Complaint filed in the Eastern District of Arkansas.

According to the Complaint, on or about May 17, 2004, KHALIL flew from Canada to New York to meet with the CW regarding a shipment of stolen electronics that needed to be exported out of the country. KHALIL and the CW met several times on May 17 and May 18 at the Marriott Marquis Hotel in Manhattan. Those meetings were monitored by law enforcement agents from an adjoining hotel room on a video and audio monitor. During the meetings, the CW told KHALIL that he had a customer who wanted to

ship night-vision goggles to Hezbollah in Athens, Greece. KHALIL responded that it was not a problem and he had "friends."

As explained in the Complaint, during another meeting between KHALIL and the CW at the Marriot, the CW introduced KHALIL to another undercover FBI agent who was posing as the CW's customer. The undercover told KHALIL that he wanted to ship night-vision goggles and infrared aiming devices to Athens, Greece. The undercover provided KHALIL with the point of contact and address of individuals who would receive the shipment in Greece. KHALIL agreed to create a fictitious bill of lading so that the items being shipped and the identity of the shipper would not be revealed.

Also according to the Complaint, on the morning of May 19, 2004, KHALIL and another individual employed at a shipping and logistics company based in Brooklyn, New York, met with the undercover agent at Manhattan Mini Storage located at 645 44th Street in Manhattan to pick up the night-vision equipment. The undercover agent showed KHALIL a crate filled with fourteen pieces of "Generation 3" night-vision equipment, including night-vision goggles and infrared aiming devices. The infrared aiming devices were designed to be mounted on M-16 and other military rifles for target acquisition purposes when using night-vision goggles. Generation 3 is the highest level of night-vision technology and cannot be exported without a license.

As explained in the Complaint, KHALIL tried on the

night-vision goggles and then loaded the equipment inside a minivan. KHALIL also accepted a down payment of \$2,500 from the undercover agent for the shipment to Greece. KHALIL was then placed under arrest.

KHALIL was presented last night on the charges in the Complaint before United States Magistrate Judge MICHAEL H. DOLINGER. KHALIL was temporarily detained pending a bail hearing scheduled for 10:00 a.m. on May 28, 2004.

KHALIL, 39, resides in Montreal, Canada.

If convicted on the charge in the complaint, KHALIL faces a maximum penalty of 15 years imprisonment and a \$250,000 fine.

MR. KELLEY praised the investigative efforts of the Federal Bureau of Investigation, the United States Commerce Department, and the New York City Police Department.

United States Attorney General JOHN ASHCROFT stated: "KHALIL is charged with allegedly seeking to provide sensitive equipment, including night vision goggles and infrared aiming devices, to Hezbollah terrorists. As this undercover operation demonstrates, the United States is committed to identifying and prosecuting those who would provide equipment and support to our terrorist enemies."

Assistant United States Attorney DAVID P. BURNS is in charge of the prosecution.

The charges contained in the Complaint are merely

accusations, and the defendant is presumed innocent unless and until proven guilty.

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